



SACHI A. HAMAI  
Interim Chief Executive Officer

County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
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<http://ceo.lacounty.gov>

*"To Enrich Lives Through Effective And Caring Service"*

Board of Supervisors  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

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Third District

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Fifth District

June 30, 2015


The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

17 June 30, 2015

  
PATRICK OGAWA  
ACTING EXECUTIVE OFFICER

**LEASE AMENDMENT  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
12727 NORWALK BOULEVARD, NORWALK  
(FOURTH DISTRICT)  
(3 VOTES)**

**SUBJECT**

A five-year lease amendment for 40,500 rentable square feet of office space and 143 on-site parking spaces for the Department of Public Social Services.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Mayor to sign the five-year lease amendment with Kassabian Family Trust (Lessor). The amendment will be effective upon Board of Supervisors approval and will provide the Department of Public Social Services 40,500 square feet of office space and 143 on-site parking spaces at 12727 Norwalk Boulevard, Norwalk, for a maximum first year rental cost of \$955,140. The rental costs are 91 percent funded by federal and State revenue and 9 percent net County cost.
3. Authorize the Interim Chief Executive Officer and the Director of Public Social Services to implement the project. The lease amendment will be effective upon approval by the Board of Supervisors.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Since 1975, the Department of Public Social Services (DPSS), has provided Medi-Cal, CalFresh, and California Work Opportunity and Responsibility to Kids (CalWORKS) programs from the subject facility to the participants throughout the Southeast Los Angeles County, including those that live in the communities of Artesia, Bellflower, Cerritos, La Mirada, Lakewood, Pico Rivera, Santa Fe Springs, and Whittier. The current lease term expired on December 20, 2014 and is currently on a month-to-month holdover basis.

The proposed lease amendment will allow for the uninterrupted delivery of Medi-Cal, CalFresh, and CalWORKS programs to the target participants in the Southeast Los Angeles County. A five-year lease amendment is recommended due to the ongoing need for these programs in these communities.

The subject facility houses 263 staff, including 256 budgeted DPSS staff, three co-located staff, and four security guards. Approximately 1,000 participants visit the facility daily.

## **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services; and the Goal of Community Support and Responsiveness (Goal 2) directs that we enrich lives of Los Angeles County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges. The proposed lease amendment supports these goals with a facility that provides continued use of space for DPSS' Medi-Cal, CalFresh, and CalWORKS programs. The proposed amendment is in conformance with the Asset Management Principles as outlined in Attachment A.

## **FISCAL IMPACT/FINANCING**

The annual maximum first year rental cost of \$955,140 consists of an initial annual base rent of \$919,140 and an annual additional rent of \$36,000 covering day porter costs. Sufficient funds for the proposed lease amendment are included in the Fiscal Year (FY) 2015-16 Rent Expense Budget and will be charged back to DPSS. The lease costs are 91 percent federal and State funded and 9 percent net County cost. Attachment B is an overview of the proposed lease amendment costs.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed amendment to the modified-gross lease will provide DPSS with 40,500 square feet of office space and 143 on-site parking spaces included in the base rent. The amendment includes the following provisions:

- A five-year term that will commence upon approval by the Board of Supervisors.
- Kassabian Family Trust (Lessor) will provide premises upgrades, including flooring replacement in the main lobby entrance and one waiting area, painting of exterior of the building, and patching, slurry sealing, and restriping the parking lot, at no additional cost to the County.

- The Lessor will continue to be responsible for all operating costs associated with the County's occupancy, except for reimbursement of day porter services and after hours use of heating, ventilating, and air conditioning (HVAC).
- The County will have the right to cancel the lease at or any time after the 36th month of the lease term upon 180 days prior written notice.
- The initial annual base rent will be subject to annual Consumer Price Index (CPI) rental adjustment of a minimum of 1.5 percent and a maximum of 3 percent per base year.

The Chief Executive Office (CEO), Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Based upon the survey, staff has established that the annual rental range for similar space is between \$15.60 and \$27.00 per square foot on a full-service gross basis, including parking. Therefore, the proposed annual rental rate of \$23.58, including parking, is well within the range of the full-service gross market rates for this area. Attachment C shows all County-owned and leased facilities within a five-mile radius of the subject facility and there are no suitable County-owned or leased facilities available for the program.

Notification letters have been sent pursuant to Government Code Sections 25351 and 65402. Additionally, a childcare facility is not feasible for the department at the proposed leased premises.

DPSS programs are most effective when located in the same geographic area as their consumers, providers, and stakeholders. The existing DPSS facility will continue to provide a central location consistent with the County's Facility Location Policy adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

## **ENVIRONMENTAL DOCUMENTATION**

The CEO concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

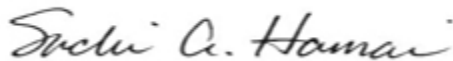
## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

It is the finding of the CEO that the proposed lease amendment will allow DPSS to provide uninterrupted programs and services from the subject facility. DPSS concurs with this recommendation.

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors, return two originals of the executed lease amendment and the adopted stamped Board letter and two certified copies of the Minute Order, to the CEO, Real Estate Division, 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012.

Respectfully submitted,

A handwritten signature in cursive script, reading "Sachin A. Hamai".

SACHI A. HAMAI  
Interim Chief Executive Officer

SAH:TT:CMM  
TS:MMK:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Public Social Services

**DEPARTMENT OF PUBLIC SOCIAL SERVICES  
12727 NORWALK BOULEVARD, NORWALK**

**Asset Management Principles Compliance Form<sup>1</sup>**

|   |                                    |  |            |           |            |
|---|------------------------------------|--|------------|-----------|------------|
| <b>1.</b>   | <b><u>Occupancy</u></b>            |  | <b>Yes</b> | <b>No</b> | <b>N/A</b> |
|   | A                                  | Does lease consolidate administrative functions? <sup>2</sup>  |            |           | <b>X</b>   |
|   | B                                  | Does lease co-locate with other functions to better serve clients? <sup>2</sup>  |            |           | <b>X</b>   |
|   | C                                  | Does this lease centralize business support functions? <sup>2</sup>  |            |           | <b>X</b>   |
|   | D                                  | Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup>   | <b>X</b>   |           |            |
|   | E                                  | Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> <b>County-owned parking adjacent to the building?</b>   |            | <b>X</b>  |            |
|   | F                                  | Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>  | <b>X</b>   |           |            |
| <b>2.</b>   | <b><u>Capital</u></b>              |  |            |           |            |
|   | A                                  | Is it a substantial net County cost (NCC) program? <b>91% State and federal subvention.</b>  |            | <b>X</b>  |            |
|   | B                                  | Is this a long term County program?  | <b>X</b>   |           |            |
|   | C                                  | If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?   |            | <b>X</b>  |            |
|   | D                                  | If no, are there any suitable County-owned facilities available?   |            | <b>X</b>  |            |
|   | E                                  | If yes, why is lease being recommended over occupancy in County-owned space?   |            |           | <b>X</b>   |
|   | F                                  | Is Building Description Report attached as Attachment C?   | <b>X</b>   |           |            |
|   | G                                  | Was build-to-suit or capital project considered? <sup>2</sup> <b>Insufficient funds and the time needed to locate and improve an alternate facility, even if one were available.</b> |            | <b>X</b>  |            |
| <b>3.</b>   | <b><u>Portfolio Management</u></b> |  |            |           |            |
|   | A                                  | Did department utilize CEO Space Request Evaluation (SRE)?   | <b>X</b>   |           |            |
|   | B                                  | Was the space need justified?  | <b>X</b>   |           |            |
|   | C                                  | If a renewal lease, was co-location with other County departments considered?  |            |           | <b>X</b>   |
|   | D                                  | Why was this program not co-located?   |            |           |            |
|   |                                    | 1. ____ The program clientele requires a "stand alone" facility.   |            |           |            |
|   |                                    | 2. <u>X</u> No suitable County occupied properties in project area.  |            |           |            |
|   |                                    | 3. <u>X</u> No County-owned facilities available for the project.  |            |           |            |
|   |                                    | 4. ____ Could not get City clearance or approval.  |            |           |            |
|   |                                    | 5. ____ The Program is being co-located.   |            |           |            |
|   | E                                  | Is lease a full service lease? <sup>2</sup> <b>County reimburses for its electrical use, day porter service and after hours HVAC.</b>  |            | <b>X</b>  |            |
|   | F                                  | Has growth projection been considered in space request?  |            | <b>X</b>  |            |
|   | G                                  | Has the Dept. of Public Works completed seismic review/approval?   | <b>X</b>   |           |            |
| <sup>1</sup> As approved by the Board of Supervisors 11/17/98 |                                    |  |            |           |            |
| <sup>2</sup> If not, why not?                                 |                                    |  |            |           |            |

**FISCAL IMPACT/FINANCING  
OVERVIEW OF PROPOSED LEASE**

| <b>5200 WEST CENTURY<br/>BOULEVARD</b> | <b>EXISTING LEASE</b>                                   | <b>PROPOSED<br/>AMENDMENT</b>                                     | <b>CHANGE</b>   |
|--|---|---|---|
| Area (square feet)                     | 40,500  | 40,500  | None  |
| Term                                   | Five years<br>(12/21/2009-12/20/2014)                   | Five years  | +Five years   |
| Annual Base Rent                       | \$857,814.24 (\$21.18/sq.<br>ft.)                       | \$919,140 (\$22.69/sq. ft.)*                                      | +\$61,325.76 (\$1.51/sq. ft.)                                     |
| Annual Additional Rent                 | \$36,000 (day porter)<br>\$36,000 (after hours<br>HVAC) | \$36,000 (day porter)**   | -\$36,000 (HVAC)  |
| Maximum Annual Lease<br>Cost           | \$929,814.24  | \$955,140   | +\$25,325.76  |
| Cancellation                           | Any time upon 120 days<br>prior written notice          | Any time after 36 months<br>upon 180 days prior written<br>notice | Any time after 36 months<br>upon 180 days prior written<br>notice |
| Parking (included in rent)             | 143 on-site parking spaces                              | 143 on-site parking spaces  | None  |
| Option to Renew                        | One five-year option                                    | Option exercised  | No remaining options  |
| Annual Base Rental<br>Adjustment       | CPI increase with 1.5%<br>minimum and 3%<br>maximum     | CPI increase with 1.5%<br>minimum and 3%<br>maximum               | None  |

\*Normal building hours are extended to 6AM to 7PM, Monday through Friday and 7AM to 1PM on Saturdays. HVAC will be provided during the Normal building hours and the base rent reflects the costs related to the extended hours.

\*\*To maintain the premises with 1,000 daily visitors, day porter service was added to mitigate the janitorial issues.

**DEPARTMENT OF PUBLIC SOCIAL SERVICES  
SPACE SEARCH WITHIN A FIVE-MILE PARAMETER OF  
12727 NORWALK BOULEVARD, NORWALK**

| LAC<br>O | Facility Name   | Address                                    | Ownership | Gross<br>SQFT | Net<br>SQFT | Available<br>SQFT |
|----------|---|--|-----------|---------------|-------------|-------------------|
| 3331     | WHITTIER COURTHOUSE (CIVIC CENTR BLDGS A & B)<br>(CLOSED) | 7339 S PAINTER AVE, WHITTIER 90602         | OWNED     | 77538         | 52161       | 52161             |
| X022     | PROBATION-INTERNAL AUDITS OFFICE                          | 7639 S PAINTER AVE, WHITTIER 90602         | OWNED     | 2694          | 1870        | NONE              |
| 4216     | PH-WHITTIER PUBLIC HEALTH CENTER                          | 7643 S PAINTER AVE, WHITTIER 90602         | OWNED     | 17552         | 7409        | NONE              |
| 5641     | PUBLIC LIBRARY-RIVERA LIBRARY                             | 7828 S SERAPIS AVE, PICO RIVERA 90660      | OWNED     | 6724          | 5404        | NONE              |
| A647     | LACO FIRE DEPT-HEALTH HAZARDOUS MATERIALS OFF             | 9155 TELEGRAPH RD, PICO RIVERA 90660       | LEASED    | 2400          | 2280        | NONE              |
| A355     | DCFS-SANTA FE SPRINGS (SPA 7)                             | 10355 SLUSHER DR, SANTA FE SPRINGS 90670   | LEASED    | 65568         | 50633       | NONE              |
| A176     | HEALTH SERVICES-EMS                                       | 10100 PIONEER BLVD, SANTA FE SPRINGS 90670 | LEASED    | 41720         | 39634       | NONE              |
| 6335     | PROBATION-RIO HONDO AREA OFFICE                           | 8240 S BROADWAY AVE, WHITTIER 90606        | OWNED     | 19997         | 12942       | NONE              |
| Y300     | PUB LIB-LOS NIETOS LIBRARY                                | 11640 E SLAUSON AVE, WHITTIER 90606        | OWNED     | 16374         | 15877       | NONE              |
| A566     | SHERIFF - SO CAL HIGH TECH TASK FORCE                     | 9900 NORWALK BLVD, SANTA FE SPRINGS 90670  | LEASED    | 22880         | 21736       | NONE              |
| A279     | DPW-SOUTH WHITTIER DISTRICT/SHERIFF'S SUB-STN             | 13523 TELEGRAPH RD, SOUTH WHITTIER 90605   | LEASED    | 3162          | 2981        | NONE              |
| Y531     | STAR CENTER-ADMINISTRATION BUILDING                       | 11515 S COLIMA RD, WHITTIER 90604          | FINANCED  | 8884          | 5780        | NONE              |
| Y533     | STAR CENTER-ACADEMY BUILDING C                            | 11515 S COLIMA RD, WHITTIER 90604          | FINANCED  | 15578         | 8104        | NONE              |
| Y534     | STAR CENTER-ACADEMY BUILDING D                            | 11515 S COLIMA RD, WHITTIER 90604          | FINANCED  | 16551         | 10983       | NONE              |
| Y535     | STAR CENTER-ACADEMY BUILDING E                            | 11515 S COLIMA RD, WHITTIER 90604          | FINANCED  | 19984         | 12864       | NONE              |
| Y542     | STAR CENTER-ACADEMY BUILDING M                            | 11515 S COLIMA RD, WHITTIER 90604          | FINANCED  | 9097          | 7847        | NONE              |
| E485     | PUBLIC LIBRARY-SOUTH WHITTIER LIBRARY                     | 14433 LEFFINGWELL RD, WHITTIER 90604-2966  | OWNED     | 7062          | 6709        | NONE              |
| D390     | SHERIFF NARCOTICS DETECTIVE DIV-PARAMOUNT                 | 15312 S PARAMOUNT BLVD, PARAMOUNT<br>90723 | OWNED     | 3442          | 2233        | NONE              |
| 6059     | DOWNEY ADMIN CTR-ADMINISTRATIVE CENTER BLDG               | 9150 E IMPERIAL HWY, DOWNEY 90242          | OWNED     | 328171        | 249603      | NONE              |
| A758     | EDUCATION-DOWNEY EDUCATION CTR EAST(AB109)                | 9525 E IMPERIAL HWY, DOWNEY 90242          | LEASED    | 6660          | 6327        | NONE              |
| 4401     | DHS-BELLFLOWER HEALTH CENTER                              | 10005 E FLOWER ST, BELLFLOWER 90706        | OWNED     | 15524         | 9053        | NONE              |
| 0005     | BELLFLOWER COURTHOUSE                                     | 10025 E FLOWER ST, BELLFLOWER 90706        | OWNED     | 110287        | 45966       | NONE              |
| 6444     | PUBLIC LIBRARY-CLIFTON M BRAKENSIEK LIBRARY               | 9945 E FLOWER ST, BELLFLOWER 90706         | OWNED     | 20160         | 17078       | NONE              |
| D210     | PUBLIC LIBRARY-ALONDRA LIBRARY                            | 11949 E ALONDRA BLVD, NORWALK 90650        | PERMIT    | 6000          | 5061        | NONE              |
| 5368     | PUBLIC LIBRARY-NORWALK LIBRARY                            | 12350 IMPERIAL HWY, NORWALK 90650          | OWNED     | 33749         | 27529       | NONE              |
| X168     | HARRY HUFFORD REGISTRAR-RECORDER/CO CLERK BLD             | 12400 E IMPERIAL HWY, NORWALK 90650        | FINANCED  | 262510        | 240600      | NONE              |
| 5685     | NORWALK COURTHOUSE  | 12720 NORWALK BLVD, NORWALK 90650          | OWNED     | 225008        | 137779      | NONE              |
| A068     | NORWALK GOVERNMENT CENTER (AKA BECHTEL BLDG)              | 12440 E IMPERIAL HWY, NORWALK 90650        | LEASED    | 216324        | 197823      | NONE              |
| A553     | DMH-GOVERNMENT CENTER BLDG                                | 12440 E IMPERIAL HWY, NORWALK 90650        | LEASED    | 10838         | 9754        | NONE              |
| D221     | DPSS-NORWALK WS DISTRICT OFFICE                           | 12727 NORWALK BLVD, NORWALK 90650          | LEASED    | 40500         | 30928       | NONE              |
| A022     | DMH/ALT PUB DEFENDER-NORWALK OFFICE                       | 12440 FIRESTONE BLVD, NORWALK 90650        | LEASED    | 6525          | 6096        | NONE              |
| A358     | DPSS-COMPUTER SERVICES/ LEADER PROGRAM OFFICE             | 14714 CARMENITA RD, NORWALK 90650          | LEASED    | 44250         | 42038       | NONE              |
| 6418     | PUBLIC LIBRARY-LA MIRADA LIBRARY                          | 13800 LA MIRADA BLVD, LA MIRADA 90638      | OWNED     | 15704         | 13061       | NONE              |
| A080     | PUBLIC LIBRARY-ARTESIA LIBRARY                            | 18722 S CLARKDALE AVE, ARTESIA 90701       | LEASED    | 5150          | 4752        | NONE              |
| A126     | DA-CRIMINAL JUSTICE INFORMATION SYSTEM/ ISAB              | 12750 CENTER COURT DR S, CERRITOS 90703    | LEASED    | 20187         | 19044       | NONE              |

## FACILITY LOCATION POLICY ANALYSIS

**Proposed Lease:** A five-year lease amendment for the Department of Public Social Services (DPSS) – 12727 Norwalk, Los Angeles – 4th District – Option to cancel after the 36<sup>th</sup> month.

### A. Establish Service Function Category – Regional and local service function

### B. Determination of the Service Area

Since 1975, the Department of Public Social Services (DPSS), has provided Medi-Cal, CalFresh, and California Work Opportunity and Responsibility to Kids (CalWORKS) programs from the subject facility to the participants throughout Southeast Los Angeles County, including those that live in the communities of Artesia, Bellflower, Cerritos, La Mirada, Lakewood, Pico Rivera, Santa Fe Springs, and Whittier. The current lease term expired on December 20, 2014 and is currently on a month-to-month holdover basis. DPSS desires to continue its tenancy at the subject facility.

The proposed amendment will allow for the uninterrupted delivery of Medi-Cal, CalFresh, and CalWORKS programs to the target participants in the Southeast Los Angeles County.

### C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: DPSS programs are most effective when located in the same geographic area as its consumers, providers, and stakeholders.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is just south of Imperial Highway, is adequately served by transit services, and is within very close proximity to the Interstate 5 freeway.
- Availability of affordable housing for County employees: The surrounding area provides affordable rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Department's service needs.



- Compatibility with local land use plans: Notification letters have been sent to the City of Los Angeles pursuant to Government Code Sections 25351 and 65402. The Department of Public Works inspected the facility and found it suitable for County occupancy.
- Estimated acquisition/construction and ongoing operational costs:  
The annual maximum first year rental cost of \$955,140 consists of an initial annual base rent of \$919,140 and an annual additional rent of \$36,000. The Lessor will remain responsible for all operating costs associated with the County's occupancy pursuant to the lease, except for after hours HVAC reimbursements.

Sufficient funds for the proposed lease is included in the Fiscal Year (FY) 2014-15 Rent Expense Budget and will be charged back to DPSS. The lease costs are 91 percent federal and State funded and nine percent net County cost.

#### **D. Analyze results and identify location alternatives**

Based upon the space and service needs of DPSS, CEO Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Based upon the survey, staff has established that the annual rental range for similar space is between \$15.60 and \$27.00 per square foot on a full-service gross basis, including parking. Therefore, the proposed annual rental rate of \$23.58, including parking, is well within the range of the full-service gross market rates for this area. Attachment C shows all County-owned and leased facilities within a five-mile radius of the subject facility and there are no suitable County-owned or leased facilities available for the program.

#### **E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria**

DPSS is unable to pursue alternate space of similar cost within proximity to the service population and there are no other suitable alternatives in the vicinity. The existing DPSS facility will continue to provide a location consistent with the County's Facility Location Policy adopted by the Board of Supervisors on July 24, 2012.

**AMENDMENT NO. 1 TO LEASE NO. 72560  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
12727 NORWALK BOULEVARD, NORWALK**

This Amendment No.1 to Lease No. 72560 ("Amendment" or "Amendment No. 1") is made and entered into this 30th day of June, 2015 by and between Zohrab Kassabian and Sonia Kassabian as Co-Trustees of the Kassabian Family Trust hereafter referred to as "Lessor" and COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as "Lessee".

**RECITALS:**

WHEREAS, Lessor and Lessee entered into Lease No. 72560 which commenced on December 21, 1999, pursuant to which Lessor leased to Lessee those certain premises ("Premises") located in the Building at 12727 Norwalk Boulevard, Norwalk, ("Building") more particularly described as approximately 40,500 rentable square feet of office space consisting of the entire Building; and

WHEREAS, the Lease was renewed for a five-year term commencing on December 21, 2009 and expired on December 20, 2014 and Lessee currently occupies the Premises on a month-to-month holdover, and

WHEREAS, the parties now wish to amend the Lease in certain respects.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the following amendments are effective upon the date first above written:

1. Article 2 of the Lease allows the Lessee to exercise the option to extend the term. Lessee hereby exercises its option to extend, and Article 2 of the Lease is amended by insertion of the following:

(A) TERM: The term of the Lease pursuant to Amendment No. 1 shall be for a period of five (5) years, beginning on the first day of the first calendar month following an execution of Amendment No. 1 by the Board of Supervisors and ending sixty (60) months thereafter (the "Extended Term").

2. Article 3 of the Lease is hereby deleted and the following inserted in substitution thereof:

RENT: Lessee hereby agrees to pay as rent for the Premises during the term hereof the sum of Seventy-Six Thousand Five Hundred Ninety-Five and 00/100 Dollars (\$76,595.00) per month or \$1.89 per rentable square foot per month. Lessee shall pay Lessor all rent and other payments due to Lessor hereunder (including, without limitation, rent during the Term hereof, within fifteen (15) days after a claim therefor for each such month has been filed by Lessor with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Rent for any partial month shall be prorated in proportion to the number of days in such month.

zh S.K.

Commencing on the first calendar anniversary of the commencement of the Extended Term, and on each calendar anniversary thereafter, the monthly rent as set forth above shall be increased in accordance with the provisions of Article 19 of the Lease using \$76,595.00 as the new monthly base rent number when calculating the annual adjustment. In addition, the new base index shall be the index published for the month the lease commences, the new minimum increase shall be \$1,148.93 per month, and the new maximum increase shall be \$2,296.35 per month.

3. Article 4 of the Lease is hereby amended by adding the following: "Lessee agrees to reimburse Lessor for the cost of after hours use of the HVAC beyond Normal building hours (which are 6 am to 7 pm, Monday through Friday and Saturday 7 am to 1 pm). If Lessee intends to occupy the Building on any Saturday and requires HVAC service for such occupancy, it must request Saturday HVAC from Lessor, in writing, at least two (2) business days in advance with the hours requested. The reimbursement by Lessee shall be paid as additional rent and shall be billed monthly in the rears by the Lessor. The hourly rate shall be billed at \$50 per hour, plus the cost of labor to change the HVAC timer which shall be billed at the rate of \$185 per change.

4. Article 5 of the Lease is hereby deleted and the following inserted in substitution thereof:

CANCELLATION OF LEASE: Lessee shall have the right to cancel this Lease at any time after the thirty-sixth (36<sup>th</sup>) month of the Extended Term by giving Lessor one hundred eighty (180) days prior notice, by letter from Lessee's Chief Executive Office ("CEO") of its intention to cancel.

5. Article 9(a) of the Lease is hereby amended by inserting the following: "Notwithstanding any provisions of this Lease to the contrary, Lessee at its sole option, acting through the CEO, may request from Lessor, without any obligation on the part of Lessor to accept said request, to perform, supply and administer repairs, maintenance and day porter services and reimburse Lessor such additional costs as an additional rent. Lessor agrees that his administrative costs will not exceed a maximum of three and one-half percent (3.5%) of the direct costs associated with such repairs, maintenance work and day porter services. The initial monthly rate for day porter services shall be \$3,000 per month for Monday through Friday service of four (4) hours per day.

Article 9(d) of the Lease is hereby amended by inserting the following: "Lessee Obligations. Without limiting Lessor's Obligations, Lessee shall, at Lessee's sole expense, be responsible for the cost of repairing any area or property negligently damaged, excluding use or acts beyond normal wear and tear, or intentionally damaged or vandalized by Lessee or Lessee's agents, employees, invitees and visitors. Such repair responsibilities shall include clearing and clean-up of sewer line back-ups, and repair of low voltage electronic, phone and data cabling and related equipment installed by, or used for the exclusive benefit of, Lessee. All repairs and replacements shall (a) be at least equal in quality, value and utility to the original work or installation; and (b) be in accordance with all laws.

7/6 S.K.

6. Article 27 of the Lease is hereby deleted and in its place the following is substituted:

TENANT IMPROVEMENTS. Lessor will cause, at its sole cost and expense, to be constructed at the Premises, interior and exterior improvements, to begin upon approval of this Lease and to be completed within one hundred eighty (180) days, unless there are delays caused by Lessee and/or its operations at the Building/Premises, thereafter as follows:

- 1) Improve the Premises per the plans attached hereto as Exhibit A to include: lot seal and restriping, VCT flooring removal and installation of new VCT in the main lobby entrance area and one waiting area to the south of the entry lobby. Prior to the start of removal and replacement of the VCT, Lessee shall remove all fixtures, furniture and any other equipment from the areas which will receive new VCT.
- 2) Paint exterior of the building.
- 3) Patch, Slurry seal and restripe parking lot.

Should Lessor fail to comply, except if performance caused by Lessee, with completion of tenant improvements within the above-referenced 180-day period, County may perform such duties and subtract the cost of such tenant improvements from the monthly rent.

7. Article 28 of the Lease is hereby deleted and the following inserted in substitution hereof:

COMPLIANCE WITH LAW Lessee shall, at Lessee's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Lessee. Lessor, not Lessee, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Lessee or Lessor during the term hereof, including without limitation, Titles II and III of the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Lessee's particular use of or alterations or improvements to the Premises.

8. Articles 32 and 33 to the Lease are hereby added to the Lease as follows:

32. LIMITATION OF AUTHORITY

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Lessor understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal Board action. No County officer, employee, agent, or independent contractor has any

*MA S.K.*

authority to alter, add or delete the material terms of this Lease; and Lessor may not rely upon any representations to the contrary.

This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for tenant improvements or other project costs of Lessor which are subject to reimbursement by County. County shall not reimburse Lessor for any expenses which exceed this ceiling.

33. IRREVOCABLE OFFER:

In consideration for the time and expense that Lessee will invest including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the County Real Estate Management Commission (if applicable) in reliance on Lessor's covenant to lease to Lessee under the terms of this lease offer, the Lessor irrevocably promises to keep this offer open until April 20, 2015.

9. If there are any inconsistencies, variances or differences between any provision of the Lease and a provision of this Amendment No. 1, the provisions of this Amendment No. 1 will prevail and control. The Lease, as amended, is ratified, confirmed and approved. The terms "include" and "including" are not limiting and include the concept of "including but not limited to".

*Mr* S.K.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 1 or caused it to be executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment No. 1 to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR

By: ZOHRAB KASSABIAN AND SONIA KASSABIAN AS CO-TRUSTEES OF THE KASSABIAN FAMILY TRUST

By: Zohrab Kassabian

By: Sonia Kassabian

LESSEE:

COUNTY OF LOS ANGELES  
a body politic and corporate

By: MIKE ANTONOVICH

Name: Mike Antonovich  
Name: Michael D. Antonovich

Mayor, Board of Supervisors



ATTEST:

Patrick Ogawa  
Acting Executive Officer-Clerk  
of the Board of Supervisors

By: Patrick Ogawa  
Deputy

APPROVED AS TO FORM:  
Mark J. Saladino  
County Counsel

By: Mark J. Saladino  
Deputy

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

PATRICK OGAWA  
Acting Executive Officer  
Clerk of the Board of Supervisors

By: Patrick Ogawa  
Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

17

JUN 30 2015 JK S.K.

Patrick Ogawa  
PATRICK OGAWA  
ACTING EXECUTIVE OFFICER